December 13, 2007
House Energy & Technology Committee
TransGreen Energy, Inc.

Testimony of Joseph P. Kelly and Phil Cavanagh, representing TransGreen Energy, Inc. before the House Energy and Technology Committee

Mr. Kelly: *Chairman and members, thank you for the opportunity to tell you about my vision for recycling to clean fuels in Michigan.*

As background, I am a California businessman and engineer with an extensive background in the energy business. I have been in Michigan for nine months exploring the possibility of locating my company, TransGreen Energy, Inc. in this state. I would like to bring a proven technology—plasma gasification—to Michigan, which I believe would bring tremendous positive economic, environmental and clean energy benefits to the state. In order to do that, we need the following language inserted into the legislation you are considering: "Industrial by-products where plasma gasification is used to produce hydrogen synthesis gas."

As a bit of background on TransGreen Energy, Inc., our focus is on producing clean fuels such as electric power and ethanol from processing materials through the integration of two proven technologies. Instead of continuing to desecrate our environment through

incineration and land filling, we now can profitably and ecologically process these materials by processing them into H2Power (hydrogen power) H2ethanol (hydrogen ethanol) and other clean energy products. We call this Hydrogen Recycling.

TransGreen Energy's core business has two elements. The first is transformation of recycled industrial materials into valuable feedstock materials. These recycled materials are then converted into their elemental forms - hydrogen and carbon monoxide - utilizing the Westinghouse Plasma technology (please see www.transgreenenergy.com.)

Secondly, this clean hydrogen synthesis gas is then used to create clean electricity in the same manner natural gas-fired power plants do. We call this H2Power (hydrogen power). This synthesis gas can also be converted to clean fuels such as H2Ethanol (hydrogen ethanol) using well-known gas-to-liquids technology in operation throughout the world today.

TransGreen Energy is pursuing an initiative aimed at establishing Michigan as a leader in clean fuels productions, leveraging the state's transportation infrastructure, its skilled labor and its professional resources to fast track project requirements, which in turn will boost Michigan's economy.

Michigan is being considered for the rollout of TransGreen Energy's clean energy solution, known as

Hydrogen Recycling. As the state is searching for ways to stay competitive globally, there is no better way to do that than to grow its own commercially viable 'green' energy industry. Michigan is a perfect fit for our clean energy solution because of its automotive manufacturing base and its strong need for innovative, next-generation business initiatives.

As I've said, plasma gasification is a proven technology. It is utilized in Japan and in GM's Defiance, Ohio plant. In the near future a delegation will be visiting the operating plasma gasification power facility in Japan to see first hand best practices.

Our website link is www.transgreenenergy.com. The web site will provide you with a simple understanding of what we are trying to make happen in Michigan. But we need the above-mentioned language in the legislation before the committee to allow us to deploy our clean energy solution in this state. Thank you very much.

***Mr. Cavanagh:** Mr. Chairman, other states are drafting legislation inviting technologies such as this to their states. One point I wish to emphasize is this: If private investors are willing to develop these technologies and spend, at minimum, $300 million per facility and create hundreds of jobs, our state should be doing everything we can to embrace their efforts.*

Mr. Kelly is continuing to conduct a national search for

favorable sites that would bring together this new combination of two proven technologies—plasma gasification and gas-to-liquids refining—that will transform industrial materials such as tires, plastics and electronics into clean electric power and eventually into clean ethanol. Our first H2Power facility will be the first such facility to integrate these two technologies in the United States. We all want to see that facility built here in Michigan.

TransGreen Energy is considering sites throughout the Midwest; however, Michigan is the preferred State. They have visited sites in Kent, Genesee, Muskegon, Saginaw, and Wayne counties. The company is in the process of securing options for prospective sites during the first quarter of 2008.

His program represents $300 million invested per facility and will create several hundred new jobs. As the legislation you are considering creates incentives for other alternative power sources, they would like recognition of other possible alternative energy technologies to be included in this proposed legislation.

I have seen Mr. Kelly assemble alliances over the past nine months, including a number of well-respected Michigan-based firms such as Dassault Systems, ASTI Environmental, D2Abatement and others. We need to keep this great opportunity here in Michigan. Thank you so much for considering our request.